

EXHIBIT B

BASE OPTIONS AVAILABLE FOR MEDICARE REIMBURSEMENT

Base	Remicade rate per vial Dollars	Definition	Implication
AWP*	691.61	Average wholesale price <ul style="list-style-type: none"> Current reimbursement to physicians Reported by manufacturers and subject to manipulation 	<ul style="list-style-type: none"> Allows companies to offer differential net product reimbursement
WAC**	532.01 (AWP -23%)	Wholesale acquisition cost <ul style="list-style-type: none"> Price wholesalers pay to pharmaceutical companies before rebates or discounts Providers acquire drugs at WAC +1-2% 	<ul style="list-style-type: none"> Allows companies to offer differential net product reimbursement, but to a lesser degree than AWP Provides less market transparency
AMP**	521.40 (AWP -25%)	Average manufacturing price <ul style="list-style-type: none"> WAC - a a = cash discounts given to wholesalers Reported to Medicaid 	<ul style="list-style-type: none"> Basis for setting Medicaid reimbursement Average price for retail segment
ASP***	504.41 (AWP -27%)	Average selling price <ul style="list-style-type: none"> WAC - a-b a = cash discounts given to wholesalers b = other rebates or special contracts 	<ul style="list-style-type: none"> Prevents companies from differentiating on net product reimbursement via contracts or rebates Most transparent price of Centocor revenue per vial May give Enbrel a competitive advantage on private side contracting if it is not constrained by Medicare rules

* Current system

** The mechanics of WAC and AMP are essentially similar except AMP numbers subtract cash discounts to wholesalers and are reported to government as part of Medicaid purchasing

*** Most likely scenario is ASP plus undetermined add-ons

Source: Centocor and McKinsey analysis